



MEMORANDUM



ATTACHMENT A

DATE: September 2008

TO: State Employees Eligible for Dental, FlexElect, or Consolidated Benefits

FROM: Department of Personnel Administration
Benefits Division

SUBJECT: 2008 Open Enrollment for Dental, FlexElect, and Consolidated Benefits Programs, 2009 Dental and Vision Plan Premiums, and 2009 CoBen Allowance Amounts

Open Enrollment for Dental, FlexElect, and Consolidated Benefits (CoBen) is September 15, 2008 through October 10, 2008. If you want to enroll in these benefit programs, or make a change to your current enrollment, contact your Personnel Office for the necessary forms.

Open enrollment forms must be signed and submitted to your Personnel Office no later than October 10, 2008. All open enrollment actions will be effective January 1, 2009.

You don't need to submit anything if you're not making any changes in your dental coverage or cash options. Permanent Intermittent employees who want to continue receiving the cash option must re-enroll. If you have a FlexElect reimbursement account and want to participate again next year, you need to re-enroll during open enrollment.

If you enroll in a FlexElect Reimbursement Account, FlexElect Cash Option, or CoBen Cash Option during the open enrollment period, or if you are automatically re-enrolled in the FlexElect/CoBen Cash Option, you have until December 31, 2008, to cancel your enrollment or make changes.

DENTAL BENEFITS

Your dental plan options are listed on page 2. Contact your Personnel Office for a brochure, list of participating dentists, and cost comparison, or call the dental plans. You may also obtain brochures and listings of participating dentists by accessing each plan's Web site at the addresses listed on page 2.

Retroactive premiums for mandatory cancellations and/or deletions to your dental coverage will be reimbursed for a maximum period of six months. This limitation impacts all mandatory cancellations and/or deletions to your State-sponsored dental coverage. You may want to check your dental coverage enrollment through your Personnel Office and ensure that only eligible dependents are enrolled.

Delta Dental Plans

Delta Premier and Delta Preferred Provider Option (PPO) 1-800-225-3368
www.deltadentalca.org/state

Prepaid Dental Plans

DeltaCare USA 1-800-422-4234
www.deltadentalca.org

SafeGuard Dental Plan 1-800-880-1800
www.safeguard.net

The following charts show Delta's dental premiums that go into effect January 1, 2009.

Delta Dental Premier Basic Plan for Represented Employees:

Coverage	2009 Total Premium	State Share	2009 Employee Share	Employee Share Increase
Employee only	\$48.07	\$36.05	\$12.02	\$0
Employee plus one dependent	\$85.12	\$63.84	\$21.28	\$0
Employee plus two or more dependents	\$123.75	\$92.81	\$30.94	\$0

Delta Dental Premier Enhanced Plan for Excluded Employees:

Coverage	2009 Total Premium
Employee only	\$50.06
Employee plus one dependent	\$100.08
Employee plus two or more dependents	\$141.22

Delta Dental Preferred Provider Option (PPO) for Excluded and Represented Employees:

Coverage	2009 Total Premium	State Share	2009 Employee Share	Employee Share Increase
Employee only	\$40.87	\$30.65	\$10.22	\$0
Employee plus one dependent	\$80.65	\$60.49	\$20.16	\$0
Employee plus two or more dependents	\$121.98	\$91.48	\$30.50	\$0

Prepaid Dental Plan 2009 Premiums

Premiums for DeltaCare USA will remain the same in 2009. Premiums for SafeGuard will increase for 2009. The State will continue to pay 100 percent of the premium for employees not in CoBen. For employees in CoBen, the State's share and employee's share do not apply. Therefore, the total dental premium will be deducted from the monthly CoBen allowance on their January 1, 2009, pay warrants (December 2008 pay period). Prepaid dental plans premiums are reflected below.

Coverage	SafeGuard Standard	SafeGuard Enhanced	DeltaCare USA
Employee only	\$15.87	\$15.52	\$17.35
Employee plus one dependent	\$25.70	\$26.27	\$28.47
Employee plus two or more dependents	\$36.00	\$32.36	\$39.38

Union-Sponsored Dental Plans: Bargaining Units 5 and 6

The California Association of Highway Patrolmen (CAHP) offers its own indemnity dental plan to BU 5 employees who are CAHP members; however, members may opt to enroll in a State-sponsored prepaid plan. The California Correctional Peace Officers Association (CCPOA) provides dental insurance to BU 6 employees who are dues paying CCPOA members.

Employees in BU 5 and 6 should contact their Benefit Trust for information on their union-sponsored dental plan premiums and benefits.

CONSOLIDATED BENEFITS

All excluded employees and employees represented by BUs 2, 7, 8, 16, 17, 18, and 19 are in CoBen. The State provides you a benefit allowance to purchase health, dental, and vision benefits. If the total cost of the plans you choose is less than your CoBen allowance, you receive the difference as taxable income. If the total cost of the plans is more than the CoBen allowance, the difference is deducted from your pay warrant pre-tax.

As of the date of this letter, the following rates will be effective January 1, 2009. However, the collective bargaining process is fluid and changes may be agreed to which alter these amounts. DPA will notify departments if there are subsequent changes to these rates. Please be advised the as of the date of this notice, many union contracts have expired and these rates may be subject to change through the collective bargaining process and are subject to Budget approval. Although we anticipate that these will be the final rates, any future changes will be posted to DPA's Web site at www.dpa.ca.gov.

Health Dependent Vesting Criteria and Employee CoBen Allowance Amounts

New employees who have never had State health benefit coverage may be subject to health dependent vesting. Employees in bargaining units that have contracted for health dependent vesting are provided with 50 percent of the employer dependent contribution the first 12 months, and 75 percent of the employer dependent contribution for months 13 through 24. After 24 months, these employees will receive the full employer dependent contribution applicable to their bargaining unit. Please refer to the appropriate collective bargaining agreement for specific criteria for determining if you are subject to health dependent vesting.

Following are the CoBen allowance amounts effective January 1, 2009, for employees in BUs 2, 7, 8, 16, 17, 18, and 19.

The CoBen allowances for BU 2 employees who are not subject to health dependent vesting are as follows:

Unit 2	<u>2009</u>
Employee only	\$439
Employee plus one Dependent	\$836
Employee plus two or more dependents	\$1,084

The CoBen allowances for BU 2 employees who are subject to health dependent vesting are as follows:

Unit 2	50% Vesting <u>2009</u>	75% Vesting <u>2009</u>
Employee only	\$439	\$439
Employee plus one Dependent	\$651	\$744
Employee plus two or more dependents	\$790	\$937

The CoBen allowances for BU 7 and 18 employees who are not subject to health dependent vesting are as follows:

Units 7 and 18	<u>2009</u>
Employee only	\$416
Employee plus one Dependent	\$813
Employee plus two or more dependents	\$1,061

The CoBen allowances for BU 7 and 18 employees who are subject to health dependent vesting are as follows:

Units 7 and 18	50% Vesting <u>2009</u>	75% Vesting <u>2009</u>
Employee only	\$416	\$416
Employee plus one Dependent	\$628	\$721
Employee plus two or more dependents	\$767	\$914

The CoBen allowances for BU 16, 17, and 19 employees who are not subject to health dependent vesting are as follows:

Units 16, 17, and 19	<u>2009</u>
Employee only	\$427
Employee plus one dependent	\$837
Employee plus two or more dependents	\$1,096

The CoBen allowances for BUs 16, 17, and 19 employees who are subject to health dependent vesting are as follows:

Units 16, 17, and 19	50% Vesting <u>2009</u>	75% Vesting <u>2009</u>
Employee only	\$427	\$427
Employee plus one dependent	\$646	\$741
Employee plus two or more dependents	\$790	\$943

The following CoBen Unit does not have health dependent vesting:

Unit 8	<u>2009</u>
Employee only	\$450
Employee plus one Dependent	\$861
Employee plus two or more dependents	\$1,120

The CoBen allowance for Excluded employees is determined by DPA. Effective January 1, 2009, the CoBen allowances for all excluded employees are as follows:

	<u>2009</u>
Employee only	\$452
Employee plus one dependent	\$872
Employee plus two or more dependents	\$1,133

If you have health and dental coverage through another source, you may enroll in the CoBen Cash Option. These amounts are \$155 a month in-lieu of health and dental coverage, and \$130 a month in-lieu of health coverage only. To enroll in a CoBen Cash Option, complete a Consolidated Benefits (COBEN) Cash Enrollment Election (STD. 702) form during open enrollment.

For details, refer to the 2009 CoBen handbook that is available and can be downloaded from DPA's Web site at www.dpa.ca.gov (click on Publications).

CoBen Calculator

If you are going to make a change in your benefit choices during the open enrollment period, you may want to use the CoBen Calculator on DPA's Web site, which will help you determine how much will be deducted from your paycheck, or added to it, based on which health and dental plans you choose. You simply click on your health and dental plan choices, and how many dependents will be covered. The calculator automatically computes the total cost of the benefits you select and subtracts them from the CoBen allowance. The result shows whether you will have a monthly benefit deduction or receive extra cash. There are two separate calculators, one for excluded employees and another for rank and file employees in BUs 2, 7, 8, 16, 17, 18, and 19. The CoBen calculator is located at www.dpa.ca.gov (click on Benefits and then click on Consolidated Benefits).

FLEXELECT

If you have health and/or dental coverage through another source, you can opt for cash in-lieu of your State-sponsored benefit. The FlexElect Cash Option is \$128 a month for health and \$12 a month for dental. To enroll in FlexElect Cash Option, complete a Cash Option Enrollment Authorization (STD. 701C) form during open enrollment. FlexElect also offers reimbursement accounts that allow you to use pre-tax salary to pay for dependent care and/or medical care that aren't covered by insurance. To enroll in a FlexElect

Reimbursement Account, complete a Reimbursement Account Enrollment Authorization (STD. 701R) form during open enrollment.

For details, refer to the 2009 FlexElect handbook that is available and can be downloaded from DPA's Web site at www.dpa.ca.gov (click on Publications).

VISION PROGRAM

The premium paid to Vision Service Plan (VSP) for vision coverage will remain at the current rate of \$9.19 and will continue to be fully paid by the State. State employees' vision coverage is automatically established for employees and their eligible dependents and no form is required to enroll, add, or delete dependents during open enrollment. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their State-sponsored vision plan.

COBRA CONTINUATION COVERAGE ENROLLEES

COBRA enrollees have the same rights as active employees to make allowable changes to their coverage during the annual open enrollment period. Specific instructions will be sent to all COBRA enrollees in dental coverage by DPA prior to the beginning of the open enrollment period.

To learn more about Dental, FlexElect, and CoBen or for questions regarding the 2008 open enrollment period, please contact your Personnel Office. You may also visit DPAs Web site at www.dpa.ca.gov (click on Benefits).